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Central Intelligence Agency



Washington, D.C. 20505

OLL: 85-2992

7 October 1985

Mr. John Greaney, Executive Director
Association of Former Intelligence
Officers
Suite 303A
6723 Whittier Avenue
McLean, VA 22101

Dear John:

Enclosed are copies of the HPSCI and SSCI reports issued last year, and some reprints of newspaper stories on major oversight investigations we underwent within the past year. This material should give you a pretty good feel for what oversight has been doing recently and how we have been judged.

As regards workload statistics, I would prefer to stay away from them because unless you go into detail, they do not mean much. But I can tell you that our workload this calendar year is up over last year and in view of Congressional interest in arms control, terrorists, narcotics, technology transfer, and all of the other subjects of international relations, we have to predict a continuous increase into the foreseeable future. Hope this helps.

Sincerely,



Deputy Director, Office of Legislative Liaison

Enclosures

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98TH CONGRESS
2d Session

SENATE

REPORT
98-665

R E P O R T
OF THE
SELECT COMMITTEE ON INTELLIGENCE
UNITED STATES SENATE
JANUARY 1, 1983, TO DECEMBER 31, 1984



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R E P O R T
ON THE
ACTIVITIES OF THE
PERMANENT SELECT COMMITTEE ON INTELLIGENCE
OF THE
HOUSE OF REPRESENTATIVES
DURING THE
NINETY-EIGHTH CONGRESS
Pursuant to
Clause 1(d) Rule XI of the Rules of the
House of Representatives



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WASHINGTON : 1985

CIA and Oversight: Reaching amicable terms

The third in an occasional series on congressional oversight of intelligence activities

By Bill Gertz
THE WASHINGTON TIMES

Cooperation has improved between congressional oversight committees and the Central Intelligence Agency after a period of "tenuous relations" with CIA Director William Casey over the issue of covert CIA support for Nicaraguan resistance forces.

Following press disclosures in the spring of 1982 about CIA-supported operations, the House of Representatives passed legislation prohibiting support for anyone trying to overthrow the Sandinista regime. Later disclosures caused congressional support for the operations to evaporate.

Then, earlier this year Congress approved a \$27 million non-military aid package, but the CIA and Pentagon were barred from distributing the funds to the rebels.

Sen. Dave Durenberger, R-Minn., chairman of the Senate Select Committee on Intelligence, said the Nicaragua episode from roughly 1981 to 1984 disrupted a long period of improved relations between Congress and the CIA. Beginning in 1981, trust between the Senate oversight committee and the CIA soured after the disclosures about Nicaraguan covert operations.

"That period of time was unfortunately characterized by the sort of tenuous relationship between the DCI (Director of Central Intelligence) and the Congress of the United States," Mr. Durenberger said in an interview in his Senate office.

He said the problem was that "Bill [Casey] was charged with running an overt, covert action and there was no way he could make a success of it."

"He treated us like we didn't know what we were doing and we treated him like he didn't know what he was doing—it was not very good oversight," he added.

Sen. Durenberger characterized Senate oversight of the CIA during the early 1980s as "bring us your findings, covert action, your budget and when you get in hot water we're gonna have you in here and beat up on you," he said during a recent interview in his Senate office.

Since then, Mr. Casey and Sen. Durenberger have come to terms. After a series of conversations "about [Mr. Casey's] attitude more than anything else, toward the process of oversight, the Senate committee chairman feels a renewed 'trust relationship' has been established."

Rep. Lee Hamilton, D-Ind., Sen. Durenberger's counterpart on the House Permanent Select Committee on Intelligence, also agrees relations have improved since the public revelations of the Nicaraguan operations which he described as atypical of oversight.

Mr. Hamilton said the CIA failed to inform the House committee of "a number of things" but did not charge the agency with "bad faith" or of trying to deceive the panel because its members have a responsibility to ask the right questions.

"If we don't ask the right questions, we don't get the right answers," he said.

He also believes the problem surrounding poor relations with the CIA over the Nicaraguan case was "attitudinal."

"The thing that frustrated the Nicaraguan problem so greatly was that we kept getting information from the media that we had not had from the Central Intelligence Agency," Rep. Hamilton said, recalling the rocky period of 1983 and 1984.

After checking news reports with the CIA, the agency would confirm details of the leaks to the House committee, he said.

"So," Rep. Hamilton said, "there developed a pattern of distrust, or a lack of confidence that they were in fact reporting to us all significant intelligence information."

The CIA's role in supporting rebels who planted mines in Nicaraguan harbors was a case in point, he said.

Under current U.S. law, the CIA is required to inform the two intelligence committees about all significant intelligence activity. Problems in the Nicaraguan affair arose over what was considered significant.

"Does the mining of a harbor constitute a significant intelligence activity? Does the publication of a manual which runs contrary to American policy constitute it? It does in my view—maybe it doesn't in somebody else's," Mr. Hamilton said.

Sen. Durenberger also mentioned the mining of the Nicaragua's harbors as one problem that caused partisan divisions on the normally non-partisan committee.

"There are no politics on this committee, except when nobody is told we are going to mine harbors," the senator said. "Then it's every senator for himself."

The key to effective oversight is to develop a confident relationship between the CIA and Congress on the flow of information between the two entities, Mr. Hamilton said. Congress, for its part, needs to back off the idea that everything the CIA does is "nefarious," while the agency must overcome its reluctance to report to Congress unless arms are twisted, he contended.

Rep. Hamilton dispelled the notion that Mr. Casey created a "personality problem" blocking effective congressional oversight, as other congressmen have charged.

"I personally have a good relationship with Bill Casey and I think he has tried to keep the committee and me well informed," Mr. Hamilton said.

Herb Romerstein, a House Intelligence Committee staff member during the controversy over Nicaraguan covert aid, said the leaks about Nicaragua resulted in "considerable bad blood" between congressional oversight staff members and CIA officers.

One example is provided by Mr. Romerstein in a forthcoming paper on intelligence oversight. He writes that in 1983 the New York Times, quoting an unnamed Democrat on the House Intelligence Committee, falsely reported the CIA planned to march on the Nicaraguan capital and overthrow the Sandinista regime. The plot was allegedly revealed by Mr. Casey in a secret briefing.

The Times reporter corrected the story a day later saying the revelation did not come out of a briefing, but was mentioned by Mr. Casey as he left a briefing.

"This version was also false," Mr. Romerstein states. "This writer left the room behind Mr. Casey and no such conversation took place," he writes in the forthcoming book "Intelligence Requirements for the 1980s: Intelligence and Policy."

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Washington Times

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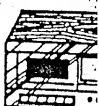
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CIA Manual Study Finds Negligence

MANUAL, From A1

ident Reagan has indicated that he will push to restore it next year.

The manual, which also recommends blackmailing individuals to force their support, creating "martyrs" and hiring professional criminals, was distributed in 1983 to CIA-backed rebels fighting the Nicaraguan government.

Chairman Edward P. Boland (D-Mass.) said that Casey told the committee, formally the Permanent Select Committee on Intelligence, that the manual had been produced and released without proper supervision and that any violation of the 1982 law was unintentional.

Casey said the use of "neutralize" in the manual did not mean killing people and therefore was not a violation of an executive order banning assassinations by the CIA. The committee concluded that there had been no intentional violation of that executive order.

The manual states: "It is possible to neutralize carefully selected and planned targets, such as court judges, police and state security officials, etc." The manual stresses that "it is absolutely necessary to gather together the population affected, so that they will be present and take part in the act," with the guerrillas explaining "why it was necessary for the good of the people" to "neutralize the target official."

Boland said Casey told the committee that the agency has put in place several new programs to prevent violations from occurring in

Probe of CIA Manual Finds Negligence, No Illegal Intent

By Margaret Shapiro
Washington Post Staff Writer

The House intelligence committee concluded yesterday that a CIA manual advocating the "selective use of violence" to "neutralize" officials of Nicaragua's Sandinista government was illegal, embarrassing and proof of the agency's lack of control over the covert war.

However, "negligence, not intent to violate the law, marked the manual's history," the committee said in a press release that was drafted with bipartisan support.

The release followed a two-hour closed hearing in which CIA Director William J. Casey acknowledged that the agency had been negligent in its handling of the manual. But he

denied any intentional effort to circumvent the 1982 law against overthrowing the Sandinistas.

The press release, based on a long staff investigation of the 90-page manual, drew no conclusions about who was responsible for the handbook or whether they should be disciplined. It said only that the document was "written, edited, distributed and used without adequate supervision."

The release added that "the incident of the manual illustrates once again to a majority of the committee that the CIA did not have adequate command and control of the entire Nicaraguan covert action."

Congress has since voted to cut off money for the operation. Pres-

See MANUAL, A7, Col. 1



REP. EDWARD P. BOLAND
... cites bipartisan effort on re-

the future, including a program to brief agents on the 1982 law and an earlier executive order banning assassinations.

Casey said the CIA was recalling the 1,400 outstanding manuals, other sources said.

Boland said he believes that Casey must bear ultimate responsibility for the manual, but that lines of communication within the CIA had been so poor that it was difficult to figure out who actually approved and released the manual.

In addition, he said, senior CIA officials in Washington and in the field never read the manual and learned what was in it only after its existence was revealed by the Associated Press, a fact that Boland said he found "incredible."

Boland said he was satisfied with a CIA inspector general's report

that recommended disciplining six low- and mid-level employees who had been directly involved with the manual's production and distribution. The Associated Press has reported that several of those reprimanded believe they are being made scapegoats to protect senior CIA officials.

Rep. Norman Y. Mineta (D-Calif.) said that while the committee was not able to pin down specifically who made the final decision to go ahead with the manual, he felt that the six CIA employees mentioned by the inspector general had been "made scapegoats. The blame should've gone a little higher."

Mineta, who in past flare-ups over the CIA Nicaragua operation has demanded Casey's resignation, repeated that call and added that congressional intelligence commit-

tees must be much tougher on agency in the future.

Another member and frequent Casey critic, Rep. Wyche Fowler (D-Ga.), emerged from the hearing yesterday with Casey and said he did not think the CIA director should resign over the incident.

The committee's press release, which Boland and others said was a bipartisan effort, stated that the original purpose of the manual was to provide training to "model" rebel behavior. It was written and distributed following reports of atrocities by guerrilla leaders.

However, the release said "specific actions it describes are repugnant to American values."

It found that the record of the manual "reflects insufficient concern about congressional and restrictions on CIA activities."

Foreign Policy - 3

Unintentional Violation Seen:

House Panel Echoes CIA on Probe of Manual

The House Intelligence Committee on Dec. 5 endorsed the results of an internal CIA investigation that found only low-level agency employees responsible for a manual that seemed to advocate killings and kidnappings of Nicaraguan government officials by U.S.-backed guerrillas there.

The committee said the CIA, in producing the manual, unintentionally violated a 1983 law that barred U.S. efforts to overthrow the Nicaraguan government. But the panel said that, while the manual was "repugnant to American values" and an "embarrassment to the United States," it did not violate an executive order prohibiting CIA involvement in assassinations.

Committee members quoted CIA Director William J. Casey as admitting that he and other agency officials had been "negligent" in supervising aid to the Nicaraguan guerrillas.

The manual, produced in 1983, was intended to show the rebels how to conduct "psychological warfare" against Nicaragua's leftist Sandinista regime. In the most controversial section, the manual said the rebels should "neutralize" government officials. (*Weekly Report p. 2874*)

The administration claims its program against the Sandinistas is needed to stop them from exporting revolution in the region. The United States financed and armed the approximately 15,000 Nicaraguan rebels, called "contras," until last spring, when Congress cut off funds.

Committee Chairman Edward P. Boland, D-Mass., voiced hope that the manual controversy would help kill any effort by President Reagan to revive aid to the contras. Congress in October voted to bar any aid to the contras, at least through February 1985. (*Weekly Report p. 2618*)

The Democratic-controlled panel conducted a two-month investigation of the so-called "murder manual." After hearing from Casey, the panel, without a vote, accepted the findings of the agency's deputy inspector general, who had conducted his own inquiry. The inspector general, and the president's Intelligence Oversight Board, found several low-level CIA officials responsible for the manual.

Shortly before the Nov. 6 elections, committee aides complained that the CIA was hindering the investigation by refusing to answer questions. But Boland said the administration ultimately cooperated with the committee's probe. The GOP-controlled Senate Intelligence Committee has not investigated the manual.

'It Was Unprofessional'

Boland said Casey was "ultimately probably responsible" for the agency's handling of the matter. But Boland refused to pin specific blame on the controversial CIA director, saying, "He couldn't possibly control all that was going on in the agency."

The committee found that the manual "was handled badly, that it was unprofessional, that there was extremely poor management," Boland said. He added he was particularly upset that no regular CIA employee read it until after it was submitted to the guerrillas. The manual was drafted by a contract employee who has been identified publicly only by a pseudonym, John Kirkpatrick.

In its statement, the committee said the incident "illustrates once again to the majority of the committee that the CIA did not have adequate command and control of the entire Nicaraguan covert action."

As a result of the inspector general's report, six CIA employees received punishments, ranging from reprimand letters to pay cuts. Several of the six

reportedly have protested, charging that they were "scapegoats." The Intelligence Committee chose not to take a position on that issue.

The CIA has promised changes to ensure "that this never happens again," Boland said. One change will be the appointment of a "compliance officer" for each covert program who will be responsible for determining that all laws and regulations are met.

Boland noted that the CIA began preparing the manual in 1983 after Casey and other officials traveled to Honduras, where the contras are based, and decided to implement an operation "to win the hearts and minds" of the Nicaraguan people.

The committee agreed with the administration's contention that the main goal of the manual was to restrain, rather than encourage, violence against civilians by the guerrillas.

But, Boland said, the manual was flawed by repeated calls for violence against Nicaragua's leaders.

He noted the manual advocated that the guerrillas "neutralize" Sandinistas (a term he said "could suggest assassination"), create martyrs, shoot civilians fleeing captured towns, blackmail civilians into helping them, and incite violence in mass rallies.

Those sections, Boland said, should "set in concrete" the committee's longstanding contention that the purpose of U.S. aid to the contras has been to overthrow the Nicaraguan government. Because of that, he said, the manual violated the "Boland amendment," which barred aid to the guerrillas for the purpose of ousting the government. That law was in effect from December 1982 to December 1983, during the time the manual was prepared. (*1983 Almanac p. 123*)

Committee member Wyche Fowler Jr., D-Ga., said the manual and the overall Nicaragua operation were "leading more and more to the politicization of the CIA."

The panel said it was continuing its probe into a related issue: whether spending on the manual should have been counted in the CIA's budget for contra aid in fiscal 1984. Congress had limited the 1984 budget to \$24 million, and that limit would have been exceeded if the cost of the manual was included, congressional sources said. ■



Rep. Edward P. Boland hopes controversy will kill U.S. aid to "contras."

—By John Felton

News Bulletin

: THE WASHINGTON POST, A-1

2 JANUARY 1985
ITEM NO. 1DD/OL
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Intelligence Overseers Cite Progress

Many CIA Faults Corrected, House Members Say

By Margaret Shapiro
Washington Post Staff Writer

The last year was a bruising one for the CIA. The intelligence agency came under attack in Congress and elsewhere for being out of control for such ventures as mining the Nicaraguan port of Corinto and issuing a guerrilla warfare manual that seemed to advocate political assassination.

Yet to talk to some of the outsiders who probably know the CIA best—senior members of the House Permanent Select Committee on Intelligence—this has been a bum rap.

A majority of the House panel will go on to other assignments this

month under a House rule that limits service on the committee to six years. This graduating class includes some of the sharpest critics of the agency's performance, particularly in Central America over the last two years.

But interviews with this group, five Democrats and three Republicans, show that, despite recent events, they believe that the agency is no longer the uncontrollable "rogue elephant" of the 1960s and 1970s, when it spied on U.S. citizens, conducted illegal wiretaps and intercepted mail. It was also involved in two assassination plots against foreign leaders.

The House panel, and its Senate counterpart, were set up after

these revelations to monitor and rein in the CIA.

"The CIA is a lot better and more capable than I believed when I went on the committee," said Rep. Albert Gore Jr. (D-Tenn.), a moderate Democrat who is leaving the committee and the House because he was elected to the Senate. "It's a new era. Those excesses of the past are extremely rare—the so-called 'rogue elephant' syndrome."

And Rep. G. William Whitehurst (R-Va.) said, "I think the agency has made some mistakes but no more than any other agency in this city."

At the same time, however, there is frustration over what some members say have been intentional

efforts to hide information involving controversial programs, such as covert CIA-supported action against the leftist government of Nicaragua. And there is strong sentiment that careful congressional oversight is needed to curb potential excesses by the agency.

"I'm supportive of the CIA but [under its current director William J. Casey]... we have to dig, probe, kick, cajole in order to get the facts," said Rep. Norman Y. Mineta (D-Calif.), who came onto the committee when it was set up in 1977.

"Even when we get the responses," he added, "there's a suspicion about whether it's the right answer.... You have to ask the right question and you don't know whether you're getting an honest answer and you don't know whether the answer will be the same tomorrow."

Democrats, in general, said they believe that this problem has been worse under Casey and the Reagan administration. Republicans said the problem was most severe under Democratic President Jimmy Carter's CIA, run by Stansfield Turner.

"We found that unless we asked Stan Turner the right questions we didn't get any answers," said Rep. C.W. Bill Young (R-Fla.). "They had a classification—royal [for the president]—that they didn't even tell us about.... We heard through sources about royal."

The lawmakers said that there has always been a tentativeness in the relations between the CIA and the committee. Initially, especially, the intelligence agency was reluctant to divulge sensitive informa-

tion, particularly about covert operations.

"The intelligence community operated almost forever without having to report to anyone," Young said. "In the beginning they looked on us as something they had to put up with."

"It was awkward," said Rep. Wyche Fowler Jr. (D-Ga.). "We didn't know what to ask and they didn't know what to answer. We learned to ask questions."

Though an intelligence committee assignment now is quite coveted, then it was not. Many lawmakers were put off by the cloak-and-dagger world, the demands of the committee, and the strict secrecy rules binding members.

"When I first came onto the committee, what I knew about the agency was what I'd seen in the movies, read in books, heard in the [congressional investigations]," Young said. But, he added, "it's not James Bond stuff.... It's not fun. You sit there long hours. We can't talk about it. We can't use it politically."

Young said that as a result of his tenure on the committee he has come to see the world as divided between the "black world, the intelligence world" and "the regular world that all of us live in."

Whitehurst recalled his first confidential briefing by then-CIA Director Turner. "I almost got physically ill afterward. Emotionally I was bothered by it, concerned I might let it slip out."

Said Mineta: "When I first came on the committee Jim Johnson, a conservative from Colorado [who had been on the special House panel looking into CIA abuses in 1976], told me, 'The CIA... they're the enemy. They're bad, bad men.' I thought he was crazy," Mineta recalled recently. "A year later I went



REP. ALBERT GORE JR.
... CIA "a lot better, more capable"

up to him and said, you know... you're right."

Under laws governing the CIA, Congress is supposed to be kept fully informed in a timely manner of intelligence activities. Congress does not have approval power over specific CIA operations but the congressional oversight process has had some success trimming actions or blocking them altogether by communicating members' feelings to the president.

For instance, a year or so ago the committee expressed strong disapproval of a covert operation against the leftist government of Suriname in South America and it was not pursued, members said. In general, the committee has been much less enamored than CIA officials with proposals for covert and paramilitary operations, members said.

Congress also controls the agency's purse strings and as a last resort can use the power to force changes. Last year, the House intelligence panel led the successful congressional effort to cut off all funding for the CIA-backed rebels fighting the leftist government of Nicaragua.

Several lawmakers said the CIA learned to be more forthcoming after discovering that the committee, which meets in a secure, guarded room on the fourth floor of the U.S. Capitol, could be trusted. One committee member said he believes

Page 1 of 2



REP. G. WILLIAM WHITEHURST
... "thought of resigning" from panel

that the CIA tested the committee in the beginning by giving it information about a former congressional colleague's links to a foreign government to see if the information would be leaked. The committee apparently passed the test, the member said.

Although relations between the CIA and its congressional overseers have never been particularly warm, they have soured decidedly in the last few years because of conflict over the Reagan administration's covert efforts in Nicaragua.

"Until we hit Central America the committee was truly a bipartisan instrument of oversight in the House," said Whitehurst. "But after Reagan adopted a more activist role in Central America... the committee fractured right down partisan lines...."

"I think the committee lost something when that happened. I'm not sure when it'll be recovered. I found it very discouraging.... At one point I thought of resigning from the committee," he said.

The committee members, particularly Democrats, blame much of the recent rocky relationship on Casey, who they said has an abrupt manner and gave many members the feeling that the congressional oversight process was at best an annoyance, at worst an interference.

Young, who complained about Turner answering questions under

Carter, said, "We had the same problem initially with Casey.... It was my job to explain that things would be better if there was a more open relationship. People felt if they didn't ask the right question they didn't get an answer."

In addition, Casey tended to mumble when he testified before the committee. Some members felt that was done intentionally to conceal information. Young said Casey eventually was given a special microphone at committee hearings.

Mineta said he believes that Casey and other CIA officials have not kept the committee fully informed in a timely manner, even when they asked just the right question.

For instance, he said the committee had heard through back channels in mid-1982 of a national security planning group directive designed to pressure Mexico to support the administration's policies in Central America and Nicaragua.

"For a year we were asked about it and couldn't get it.... They'd said there's no such document," Mineta said. Then, "the whole thing appeared in The New York Times. And it's not like Casey could say he doesn't know about [it]—he's director of central intelligence for the whole country and sits on the National Security Council in addition to being director of the CIA."

Mineta, who repeatedly has called for Casey's resignation, said he is concerned that Casey's stewardship may allow the excesses of the past to creep back into CIA operations.

The discontent with the CIA's current stewardship at times has been bipartisan.

For instance, at one point last spring, when CIA involvement in the mining of Nicaraguan waters became public, a junior GOP member of the committee, Rep. William F. Goodling (R-Pa.), was so upset with Casey that he is reported to have called on the director to resign "for the good of the CIA and the good of the country."

Goodling, who has since resigned from the committee, said recently,

"The operation, it seemed to me, would've worked better with the director working in some other capacity in the administration.... You had the feeling of someone who is very, very busy, who was saying to himself, 'I got to be here but I don't have to listen.'"

Disclosure of the mining produced a bipartisan uproar on the Senate Select Committee on Intelligence as well.

An equally significant portion of the current wariness between the House committee and the CIA stems from the belief among panel Democrats in particular that the administration is using the agency rather than diplomatic channels or more overt methods to press its Central American and Nicaraguan policies.

"The CIA is prohibited from setting policy.... The grave temptation is to use [it] as an instrument of foreign policy, military policy, as a routine matter rather than as a last resort," Fowler said.

"Casey is the first director of the CIA on the National Security Council. That's policy-making. Our problem... is that we so strongly disagree with the policy. We especially disagree with using the CIA as an instrument of the policy."

Even with the tensions of the last two years, most departing members of the committee are reluctant retirees. Several hoped House rules would have been changed to allow them to stay on the panel for another two-year term.

Republicans and Democrats alike said they will miss the excitement of knowing the nation's most closely held secrets. And they voiced concern that such a massive departure from the committee in the short term will make the committee less effective at performing needed oversight.

"The six-year rotation is good on one level—no one can become a tool of the intelligence community," said Young. "But right now I would argue against it because I would like to stay on. I have a store of knowledge that will take new members several years to develop."

99th Congress
1st Session

HOUSE OF REPRESENTATIVES

Report
99-

RESOLUTION OF INQUIRY CONCERNING TERRORIST
BOMBINGS IN BEIRUT, LEBANON

June 12, 1985.—Referred to the House Calendar and ordered to be printed

Mr. Hamilton, from the Permanent Select Committee on Intelligence,
submitted the following

ADVERSE REPORT

[To accompany H. Res. 171]

The Permanent Select Committee on Intelligence, to whom was referred the resolution (H. Res. 171) requesting the President to provide certain information to the House of Representatives concerning covert training of counterterrorist units to act against anti-American terrorists in Lebanon or other parts of the Middle East, having considered the same, report unfavorably thereon and recommend that the resolution do not pass.

COMMITTEE ACTION

On May 14, 1985, House Resolution 171 was introduced by the Honorable Don Edwards and referred to the Permanent Select Committee on Intelligence. The resolution requests the President to furnish to the House all documents and factual information in his possession which relate to covert training or other support, from January 1, 1984 to May 15, 1985, of counterterrorist units (including any Lebanese intelligence personnel) to engage in action against anti-American terrorists in Lebanon or other parts of the Middle East.

Introduction of the resolution followed press allegations that the CIA had been authorized to train and support counterterrorist units of foreigners for strikes against suspected terrorists before they could attack U.S. facilities in the Middle East. Immediately after the introduction of the resolution, the committee began to interview intelligence officials and review pertinent intelligence documents. The purpose of this review was to determine whether or not any evidence existed to support the charge that the United States Government, and specifically the Central Intelligence Agency, knew about beforehand, or was in some way responsible for, a March 8, 1985 bombing incident in Beirut, Lebanon that caused the loss of at least 80 lives and 100 other casualties.

-2-

On June 12, the committee met in closed session to consider the resolution. After a discussion of the information derived from its review, the committee ordered the resolution reported adversely.

BACKGROUND

The committee's understanding of the concern which underlies the introduction of House Resolution 171 is that U.S. counterterrorism policy not stoop to the tactics of terrorism in seeking to prevent it. The issue posed by the resolution of inquiry is a serious one. It relates to the U.S. policy in countering terrorism, about which there is as yet no clear national consensus.

The committee's review has uncovered no evidence that any U.S. intelligence agency - any U.S. Government agency - has encouraged or participated in any terrorist activity in Lebanon. Further, the committee was able to discover no evidence that any U.S. intelligence agency had foreknowledge of the March 8 bombing outside the residence of Sheik Hussein Fadlallah.

Without addressing the specifics of the allegations raised in connection with this deplorable terrorist event, the committee states that its review of relevant documents and files and its interview of appropriate government officials leads to the conclusion that no U.S. Government complicity, direct or indirect, can be established with respect to the March 8 bombing in Beirut.

COMMITTEE POSITION

On June 12, 1985, the Permanent Select Committee on Intelligence, a quorum being present, ordered the resolution reported adversely by voice vote.

OVERSIGHT FINDINGS

With respect to clause 2(1)(3)(A) of Rule XI of the House of Representatives, the committee's findings and recommendations concerning House Resolution 171 are contained in the body of this report.

FISCAL YEAR COST PROJECTIONS

With respect to clause 2(1)(3)(B) of rule XI of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, this resolution does not provide new budget authority or tax expenditures.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

With respect to clause 2(1)(3)(C) of rule XI of the House of Representatives, the committee has received no report from the Congressional Budget Office.

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RECOMMENDATIONS OF THE COMMITTEE ON GOVERNMENT OPERATIONS

With respect to clause 2(1)(3)(D) of rule XI of the House of Representatives, the committee has not received a report from the Committee on Government Operations pertaining to the subject of this resolution.

MEMORANDUM FOR: D/PAO.

George:

Greaney has asked for this material. Do
you have any problem with my giving it to him?



DD/OLL

*D/PAO did
not have
any
problem.
10/7/85*

Date 7 OCT 1985

10-7
CHUCK:
I AM SENDING
THIS PACKAGE
TO GREASY
UNLESS YOU
OBJECT. LAUDER
HAD NO OBJECTION
ED.

OK (except for spelling
of "technology")

Now, I corrected it, 10,